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Office of the Comptroller

18 NOV 1960

Director of Communications

Charging of Cables to Users

REF: Memorandum to the Comptroller from the D/CO, 9 March 1960, Subject: Cable Charges to Users

1. As a result of a request from your office, we have been thoroughly studying the records that we now maintain on world wide cable traffic volumes to determine the adequacy of the data available for charging using components for their cables passed over the Agency's network. In line with the discussions that have taken place on this subject, we arrived at the following assumptions. First, that it is not necessary to determine actual costs for cables since these are not vital to the establishment of cost recording procedures. Allotments or allocations could be made in units with each unit representing one five-letter word group rather than translating these cable groups into dollars. For example, if it is desired that station X be held at the 1959 level of operation, their allocation could be on the basis of the cable group count at that station for the monthly average during 1959. The second assumption is that any procedure prescribed, in order to be useful to managing officials, should be designed to allow costing or control at the individual Agency component level, (staff, division, office).

2. If the second assumption above is correct, and the primary objective for consideration of the proposed costing procedure is to place control and monitoring responsibility on the component originating or sponsoring each cable, then it can be firmly stated that the present records maintained in OC are inadequate for this purpose. Cable records that we presently keep on a continuing basis are designed to provide the OC with data for communications security (COMSEC) studies and as a guide in the planning for and assigning of communications personnel and facilities, including cryptographic systems and circuitry to be used. The records kept at Headquarters and overseas stations show only volumes for the cables "sent" and "received". There are no records maintained as to who originated, released or caused (sponsored) the cable to be sent. However, because of special handling that is involved, there is a separation of the SI cable traffic and therefore the total volume of this type traffic can be identified. Again, the sponsoring component cannot be determined from the records kept.

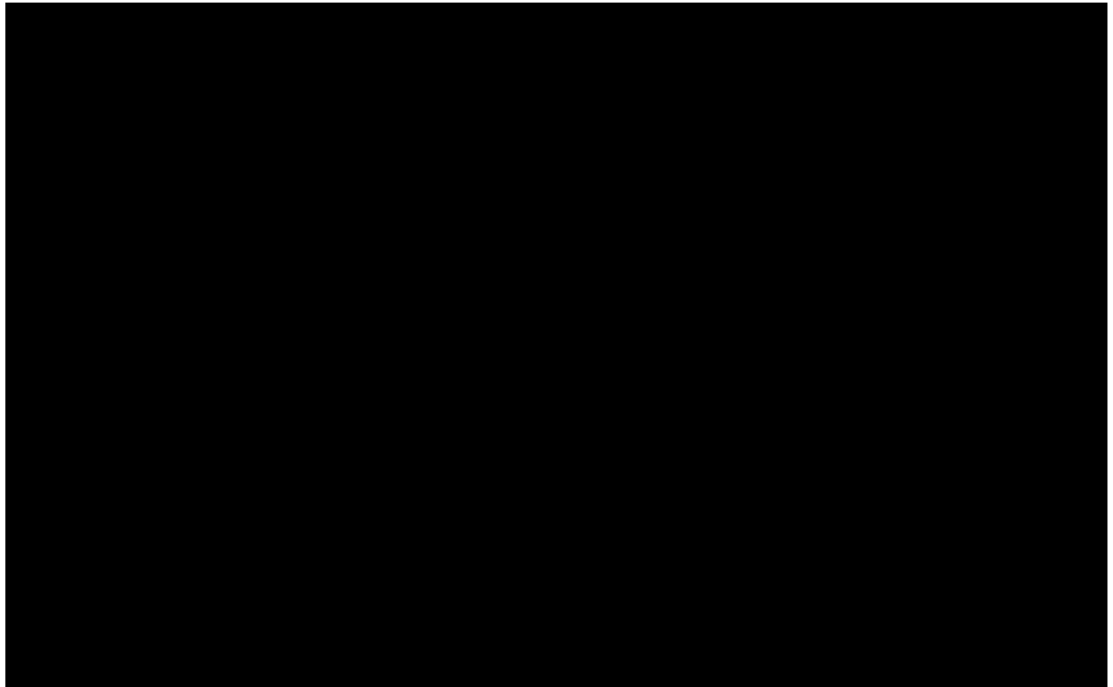
3. If it could be presumed that practically all the cables sent and received at a field station were sponsored by the Headquarters DDP area division having geographic responsibility for that station, then it would be possible to translate the present cable statistics into data that could be used for allocation control purposes. The total of cable groups received at the field stations of each area division would represent the group count volume sent from Headquarters. However, this is not the case. A study of the cable traffic reveals that a substantial portion sent to and from field stations is sponsored by components other than the Headquarters area division having geographic responsibility for the station concerned. Also there is a considerable amount of lateral traffic between field stations that are under different Headquarters area divisions. In addition, our studies reveal that there are other reasons why the records as presently maintained are inadequate for costing of cables to specific components. Some of these reasons are given below:

a. It is not always readily discernible who is the sponsoring component of situation reports. SITREPS generally emanate from a field station at which a local event with international implications is occurring. In some instances the field station sends the SITREPS to other concerned stations as well as Headquarters. In other instances, Headquarters is the sole addressee, but the concerned Headquarters element, or the IWOG, re-addresses the SITREPS to other field stations. (The IWOG, Intelligence Watch Officers Group, is an inter-component cable screening committee operating 24 hours a day. The committee is empowered to re-address incoming traffic to any station on the basis of content.)

b. The daily Current Intelligence Bulletin is another instance where determining the sponsoring component would be difficult. In some cases this bulletin is forwarded to high level government officials traveling overseas. The area in which the official is traveling may be an area where the CIB is normally not sent. Who then can be considered as the true sponsor?

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d. The holding of an international type conference or the TDY visits to a field station by high ranking U. S. Government officials usually cause an abnormal rise in traffic volumes. These incidents make it difficult to establish a logical cable allotment base for field stations for a given period since the statistics alone do not record the number or frequency of unusual events that have taken place during the period that might be considered as an operating base or level.

4. The study we have conducted indicates that the present records of cable volumes are not suitable for costing to the individual components that sponsor the transmission of the cable communications. For the reasons given above, achievement of this objective probably would require the review of each specific cable by personnel having operational knowledge of the contents. The record keeping leading to the proper cost distribution probably could be done either by (a) an "after the fact" analysis by DDP area representatives, (this procedure would have to include proper recordation for cost distribution purposes) or (b) including on the "classified message" form the proper cost center symbol which would allow recording on a continuing basis of the needed data. The workload involved in the institution and maintenance of either of the above procedures would be quite large. It is difficult to make an off hand estimate of the total man hours that would be needed, but considering the daily recording plus the compilation of monthly totals for 20 to 30 separate cost centers at all our stations, the man hours needed on a world wide basis would probably add to not less than

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15 man years. Procedure (b) above would delay the transmission of each cable communication as both the determination of the proper cost center and the recording process would have to take place prior to the actual cable transmissions.

5. In the reference I outlined a number of reasons why I was not in favor of attempting to establish a procedure to charge users for the cables sent over the Agency network. I believe these reasons are still valid and, even though this study indicates that cost records could be established, at some expense, I do not believe that they would be effective in achieving the desired goals. Rather, I feel that there is much more to be gained by the operational monitoring of the text and precedence. The application of a strong monitor control offers the possibility of:

a. Improving brevity and clarity of any given cable text,

b. educating, on a continuous basis, the operating officers regarding problems on lateral links, multiple addressees, station closing times, ionospheric storms and other communications disturbances, etc., and

c. increasing the productivity of the whole communications system by smoothing out the workload.

The attempt to control by the cost method does not have any of these advantages.

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